

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | KATE FITZPATRICK | JOHN B. LANGAN | JAMES M. MACHADO | ROBERT B. MCCARTHY

MEMORANDUM

TO: Belmont Retirement Board
FROM: Joseph E. Connarton, Executive Director
RE: Appropriation for Fiscal Year 2016
DATE: December 11, 2014

Required Fiscal Year 2016 Appropriation: **\$7,877,958**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2016 which commences July 1, 2015.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2016 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was determined by Segal as part of their January 1, 2014 actuarial valuation.

The current schedule is/was due to be updated by Fiscal Year 2017.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446 Extension 921.

Attachments

cc: Board of Selectmen
Town Meeting
c/o Town Clerk



Belmont Retirement Board

Projected Appropriations

Fiscal Year 2016 - July 1, 2015 to June 30, 2016

Aggregate amount of appropriation: **\$7,877,958**

Fiscal Year	Estimated Cost of Benefits	Funding Schedule (Excluding ERI)	ERI	Total Appropriation	Pension Fund Allocation	Pension Reserve Fund Allocation	Transfer From PRF to PF
FY 2016	\$8,564,367	\$7,780,677	\$97,281	\$7,877,958	\$7,877,958	\$0	\$686,409
FY 2017	\$8,733,791	\$8,326,569	\$100,620	\$8,427,189	\$8,427,189	\$0	\$306,602
FY 2018	\$8,906,604	\$8,910,602	\$104,109	\$9,014,711	\$8,906,604	\$108,107	\$0
FY 2019	\$9,082,873	\$9,558,537	\$84,656	\$9,643,193	\$9,082,873	\$560,320	\$0
FY 2020	\$9,262,667	\$10,227,025	\$88,466	\$10,315,491	\$9,262,667	\$1,052,824	\$0

The Total Appropriation column shown above is in accordance with your current funding schedule and the scheduled payment date(s) in that schedule. Whenever payments are made after the scheduled date(s), the total appropriation should be revised to reflect interest at the rate assumed in the most recent actuarial valuation. Payments should be made before the end of the fiscal year.

For illustration, we have shown the amount to be transferred from the Pension Reserve Fund to the Pension Fund to meet the estimated Cost of Benefits for each year. If there are sufficient assets in the Pension Fund to meet the Cost of Benefits, this transfer is optional.

SECTION 3: Supplemental Information for the Belmont Contributory Retirement System

EXHIBIT F

Department Results

	Town of Belmont	Housing Authority	Light Department	Water	School	Police and Fire	Total
Active members:							
Number	146	7	26	10	159	110	458
Total payroll	\$8,031,195	\$343,560	\$2,101,547	\$644,327	\$5,093,495	\$7,972,114	\$24,186,238
Average age	49.0	53.8	47.2	52.3	44.5	43.4	46.1
Average service	12.4	15.8	14.2	19.2	7.9	14.4	11.6
Average annual payroll	\$55,008	\$49,080	\$80,829	\$64,433	\$32,035	\$72,474	\$52,808
Accumulated contributions	7,379,134	402,494	1,862,829	799,549	3,402,900	8,158,632	22,005,538
Pensioners and beneficiaries:							
Number	100	4	27	15	69	131	346
Annual benefit payments	\$2,262,081	\$80,673	\$757,630	\$462,334	\$999,786	\$4,940,309	\$9,502,813
State funded COLA	35,604	0	10,620	11,940	21,403	73,178	152,745
Net payments (funded by Town)	2,226,477	80,673	747,010	450,394	978,383	4,867,131	9,350,068
Average benefit	22,265	20,168	27,667	30,026	14,179	37,154	27,023
Inactive members:							
Number	20	0	4	1	136	3	164
Accumulated contributions	\$369,306	\$0	\$171,315	\$16,213	\$429,024	\$141,670	\$1,127,528
Appropriations by department:							
Total 2015 appropriation	\$2,443,208	\$142,253	\$653,599	\$213,568	\$1,441,090	\$2,470,805	\$7,364,523
Payroll allocation of 2016 appropriation excluding ERI payments	2,583,623	110,523	676,065	207,279	1,638,570	2,564,617	7,780,677
ERI payments	<u>70,501</u>	<u>26,780</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>97,281</u>
Total 2016 appropriation	\$2,654,124	\$137,303	\$676,065	\$207,279	\$1,638,570	\$2,564,617	\$7,877,958
Payroll allocation of 2017 appropriation excluding ERI payments	\$2,764,890	\$118,277	\$723,497	\$221,822	\$1,753,532	\$2,744,551	\$8,326,569
ERI payments	<u>73,675</u>	<u>26,945</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>100,620</u>
Total 2017 appropriation	\$2,838,565	\$145,222	\$723,497	\$221,822	\$1,753,532	\$2,744,551	\$8,427,189

Note: Fiscal 2015 appropriations are equal to the previously budgeted amounts as detailed in the January 1, 2012 valuation.